[7th July 1952

Exemption given to the British-owned Commonwealth Trust Factories from certain sections of the Factories Act.

* 47 Q.—SRI K. P. GOPALAN : Will the Hon. the Minister for Industries and Labour be pleased to state what are the reasons which prompted the Government to issue a Government Order exempting the British-owned Commonwealth Factories of Malabar and South Kanara from clauses 79, 80 and 81 of the Factories Act?

THE HON. DR. U. KRISHNA RAO :—" Exemption from sections 79 to 81 of the Factories Act, 1948, was granted to certain factories of the Commonwealth Trust, Limited, as the company sought exemption from these sections. Such exemption is granted to factories on application, provided Government are satisfied that the leave rules applicable to the workers in the facotry allow benefits not less favourable than those for which the Act makes provision. The ownership of the factory, British or otherwise, has nothing to do with the exemption. We have, in fact, exempted 146 other factories from the operation of these clauses many of whom are Indian-owned."

SRI PILLALAMARRI VENKATESWARLU :—" May I know the grounds on which such exemptions were granted? "

THE HON. DR. U. KRISHNA RAO :—" Sir, according to the Act, 15 days' leave with wages is given to every worker and it is given in three spells of five days, but if the workers go on shorter leave, it is against the spirit of the Act and, therefore, the managements in consultation with workers apply and on the recommendation of our Factory Inspectors, we give exemptions."

SRI K. P. GOPALAN :—" Are the Government aware that the Commonwealth trust factories in Malabar and South Kanara are British-owned factories to whom liberal concessions are granted regarding export duty and various other taxes so that they can derive more profits? Are the Government also aware that these companies are not giving bonus, sick leave allowances, allowances for auspicious days as well as casual leave with full pay, and that they have reduced the wages of the workers also? Without taking all these things into consideration, on what basis did the Government exempt these British-owned factories in Malabar and South Kanara which are getting huge profits yearly? "

THE HON. DR. U. KRISHNA RAO :—" Sir, I may submit that the first half of the question now put by the hon. Member is not relevant to this question because it involves dearness allowance and bonus and the capacity of the company to help the workers. As I said, sections 79 to 81 deal with leave with wages and the relaxation of these rules benefits the workers. It is only from that point of view that the Government exempted these companies from the operation of these provisions."